

## Alternative Payment Methods

### Weekly TAG Call

April 9, 2013

#### I. Modifications to Reporting Tools – APM and PPM

- ❖ New payment method categories added in response to discussion with payers
- ❖ These new categories will primarily apply to payers that carve out services to a third-party administrator (TPA) and do not know the payment method used in the contracts held between the TPA and the providers.

#### Changes to APM (Handout 1)

- ❖ Global Budget/Payment is now split into two categories:
  - 1A – Global Budget/Payment (Full Benefits):** contains the budget and payment data for a comprehensive set of services
  - 1B – Global Budget/Payment (Partial Benefits):** contains the budget and payment data for a defined set of services, where certain benefits such as behavioral health services are carved out and not part of the budget

#### Examples:

- 1) If you are reporting a physician group contract that has carve-out services, but you do not know the dollar amount associated with those carve-out services, then please report that line as 1B.
- 2) If you are reporting a physician group contract that has carve-out services, and you know the dollar amount associated with those services, then please report that line twice, once as 1A with the full dollar amount, including carve-out payments, and then again as 1B with the carve-out payments excluded. The data line for payment method 1B will be a subset of the data line for payment method 1A. Please see below for more detail.

These APM data fields will remain the same for both payment methods 1A and 1B:

PL001 Registered Provider Organization ID  
PL002 Physician Parent Group OrgID  
PL003 Local Practice Group OrgID  
PL004 Insurance Category Code  
PL005 Product Type  
PL007 Member Months  
PL008 Health Status Adjustment Score

These APM data fields will most likely differ due to the inclusion/exclusion of carve-out payments:

PL006 Payment Method  
PL009 Average Monthly Budget per Member  
PL010 Total Claims Payments  
PL011 Total Non-Claims Payments

PL012 Total Payments

These APM data fields will most likely be the same for both payment methods 1A and IB, unless plans link quality and performance measures to carve-out costs

PL013 Amount of Total Payments due to Financial Performance Measures

PL014 Amount of Total Payments due to Quality Performance Measures

PL015 Amount of Total Payments due to Financial and Quality Performance Measures Combined

**Total dollars in APM file should equal the total dollars in the TME file.**

Changes to PPM (Handout 2)

- ❖ If a payer is unable to determine the payment mechanism by which a TPA pays a provider for carve-out services, such as behavioral health or pharmacy, then the payer should report the carve-out dollars paid by the TPA to a provider as payment method 6: Carve-Out Service. Please see below for more details.
- ❖ This category is included to catch dollars that are not attributable to a payment method because the vendor's contractual relationship with a provider is unknown

The intention of adding payment method (6 – Carve-Out Services) to Handout 2\_Provider Payment Methods is to account for all of the data a payer has included in the legacy relative price file. Payers may differ on whether or not they included carve-out data in their legacy relative price files.

- 1) If a payer has included carve-out data in their legacy relative price files, and is unable to tie the carve-out payments to the correct payment method due to third payer administrator holding the contracts with the providers, then the payer may report those dollars in the Carve-Out Services (6) payment method.
- 2) If a payer does report carve-out dollars in the legacy relative price files, and is able to tie to the proper payment method based on knowledge of the third party administrator's contract with the provider, then this new category does **not** apply, and the payer should report the dollars as the payment method by which the TPA pays the provider.
- 3) If a payer does not report carve-out dollars in the legacy relative price files, then this new payment method does not apply to them.

**Total dollars in PPM file should equal the total dollars in the RP file.**

- II. Uniform OrgID list is updated weekly so check back to see if OrgIDs for relevant providers have been added
- III. Next TAG Call will take place on Tuesday, April 16<sup>th</sup> at 3pm.